

Date: March 24, 2016

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Marvin G. Williams, Director of Public Works

Subject: Revision to City Code Section 70-50 – Service Area Fees for Waterline Projects

Executive Summary

Currently, the City Code allows for the establishment of two types of utility service charge areas for expansions of City of Durham water and sewer utility systems. These two types of utility service charge areas are based on developer constructed and City of Durham construction utility improvements. The proposed city code revision will allow the City of Durham to take advantage of developer required utility improvements and pay for increased capacity and size in those improvements and then establish utility service charge areas to reimburse the City of Durham for those improvements.

Recommendation

The Public Works Department recommends that City Council adopt an ordinance amending Section 70-50 of the Durham City Code of Ordinances as noted in the attached proposed code revision.

Background

Section 70-50 of the City Code of Ordinances allows the City to collect fees for future expansions of the water and sewer systems. Service area fees can be established in defined areas where utility improvements are being constructed. .

The current ordinance only allows for utility service charge basins to be created when improvements are constructed by the City or a private developer and does not allow for utility service basins to be created when a coordinated and joint approach to constructing the improvements is desired.

Issues and Analysis

The proposed ordinance would allow the City to enter in to cost-sharing agreements with developers to facilitate the construction of utility improvements and establish a fee to reimburse the City for its share of the construction costs. These types of agreements allow the City additional flexibility in cost sharing utility improvements.

Alternatives

The alternative would be to leave the ordinance as is and continue to only allow the two types of utility service basins already established. .

Financial Impacts

This section of the report is not applicable for the ordinance change but any financial impacts on in the future would require City Council approval and be a part of each individual staff report for each item requested

SDBE Summary

This section of the report is not applicable.